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76-1545

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17 March 1976

MEMORANDUM FOR: Director of Central Intelligence

FROM : George L. Cary
Legislative Counsel

SUBJECT : Classified Budget Annex

1. At the morning meeting the other day it was mentioned, as I recall, that the CFI had expressed reservations about having OMB submit to the Congress as detailed a budget document as had been proposed by OMB. It is my further understanding that a suggestion has been made that the CFI decision be reconsidered on the ground that the submission of such a document to the Congress poses no difficulties.

2. I am not a budget expert and don't pretend to be, but it seems to me there are several factors that have to be considered in the overall issue of submitting further budgetary material to the Congress:

a. Mr. Mahon has been quoted as having said that he will let any member of the Congress (certainly any member of the Appropriations Committee) have access to intelligence community budget material. As a matter of fact, in discussing this subject with Mr. Giaimo on the House floor on 1 October 1975, Mr. Mahon referred to the existing rules of the House which permit every member access to the hearings and records of any congressional committees. He said "...It would seem folly not to consider having a rule that would permit all members of the committee who wanted to attend hearings of the committee when they are considering top secret matters" (emphasis added). He went on to say, however, that this was a matter on which he would like to have some more mature reflection so that he could "...submit these issues

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to the Committee on Appropriations for further consideration." Mr. Mahon's words were, I believe, very deliberately chosen for it is clear to us that there is a considerable divergence of opinion [redacted] access to sensitive intelligence information.

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b. We have pending before us the problem of how much, if any, access the Congressional Budget Committees should be given to sensitive intelligence community budgetary and related information. Senator Cranston, of the Senate Budget Committee, has in effect demanded total budget figures for the intelligence community and its component organizations as well as some information on "major functional categories." He has stated it is his ultimate purpose to make this information public.

c. There is considerable debate and discussion in both Houses of the Congress over the issue of the controls which should be placed on members of Congress regarding access to and release of sensitive information, i.e., the Senate oversight legislation, S. Res. 400, is pending in the Rules Committee and it is anticipated that this very subject will be one of the key topics for discussion.

d. Both Houses of the Congress have defeated proposals for making the intelligence budget public.

e. Once a moderately classified Annex to the President's budget is developed, the next move may be to sanitize out the remaining classified material so that the document can be made public.

3. In view of the factors enumerated above, I believe it would be premature for the Administration to submit to the Congress

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any new form of intelligence community budgetary and related material which might further proliferate this kind of information until these issues are resolved. When the oversight question is settled, the intelligence community could adjust its reporting to the new oversight arrangements. In the meantime, of course, I think we should continue to provide our four oversight subcommittees with any information they require, under the groundrules which have been followed over the years and which are still in effect.



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